

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 3226 - SB 3331

March 1, 2010

SUMMARY OF BILL: Requires the Secretary of State to send applications and other formation documents submitted by limited liability corporations (LLCs) and limited liability partnerships (LLPs) to the state board responsible for licensing any professional services a member or a partner renders. The appropriate licensing board must, within 60 days, determine if the person is properly licensed to render such services and provide written notification to the Secretary of State who will then deny or revoke the formation if the person is not licensed.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures – \$19,400/One-Time
\$134,000/Recurring**

Assumptions:

- According to the Division of Business Services in the Secretary of State's office, five new positions would be necessary to process the additional information required to be filed by each entity that files formation documents.
- Five full-time staff positions at a salary of \$20,000 each plus benefits of \$6,800 each would result in a recurring cost of \$134,000 annually (\$26,800 x 5 positions).
- One-time costs of \$19,400 are estimated to be \$15,000 (office space and furniture for five positions @ \$3,000 each); \$400 (redesign of eight forms @ \$50 each); and \$4,000 (BEAR System coding changes of 40 hours @ \$100 per hour).
- The bill appears to affect those boards in Title 62 of the Tennessee Code Annotated. Pursuant to Tenn. Code Ann. § 4-29-121, if any additional costs are incurred by the regulatory boards, each of the boards must raise sufficient revenues to cover their expenditures.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White".

James W. White, Executive Director

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